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BAKER & MILLER PLLC

ATTORNEYS and COUNSELLORS

2401 PENNSYLVANIA AVENUE, NW
SUITE 300
WASHINGTON, DC 20037

TELEPHONE: (202) 663-7820
FACSIMILE: (202) 663-7849



William A. Mullins
wmullins@bakerandmiller.com

DIRECT DIAL: (202) 663-7823

January 19, 2005

BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

FILED

JAN 19 2005

**SURFACE
TRANSPORTATION BOARD**

RE: Finance Docket No. 34335
Keokuk Junction Railway Co.--Feeder Railroad Development Application
--Line Of Toledo, Peoria & Western Railway Corporation Between
La Harpe And Hollis, IL

Dear Secretary Williams:

On January 14, 2005, Keokuk Junction Railway Co. ("KJRY") filed its reply in opposition to Toledo, Peoria and Western Railway Corporation's ("TP&W") January 13, 2005 request that the scheduled January 26 closing deadline be delayed. Yesterday, January 18, KJRY supplemented that filing by forwarding to the Board copies of shipper letters that KJRY had received and by updating the Board with respect to closing discussions between KJRY and TP&W.

Apparently sometime yesterday, TP&W filed a letter with the Board responding to KJRY's January 14 letter, although KJRY did not receive its service copy of TP&W's letter until this morning. From the contents of TP&W's January 18 letter, it is clear that TP&W had not yet read KJRY's January 18 letter in which KJRY informed the Board that it had, after four requests, three before January 14 and one on January 14, finally received TP&W's account information and had been contacted by TP&W's operating personnel.

TP&W's January 18 letter is nothing more than an attempt to once again misconstrue the facts and mislead this Board. KJRY agrees with TP&W that the Board's October 28, 2004 decision required KJRY to make payment into "an account designated by TP&W." Therefore, in accordance with that decision and prior to filing the January 14 letter, KJRY had three times requested TP&W to provide the account information. TP&W refused to provide it; a fact confirmed in Exhibit 1 to KJRY's January 14 letter. Because TP&W had refused to provide the account information, KJRY took the unusual step of beginning the process of setting up an

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escrow account as a means to facilitate closing and informed the Board of those steps in its January 14 letter.¹ Thus, it was TP&W's lack of cooperation and flagrant violation of the Board's order that facilitated KJRY's actions, not the other way around, which is what TP&W misleadingly states to the Board.

TP&W further misleads the Board when it claims that KJRY had "received wire instructions from TP&W prior to the time it filed its Response," which is simply an untrue statement. KJRY did not receive the wire instructions, which it received via an e-mail from Mr. Gittomer to this counsel on the afternoon of January 14, until after this counsel had caused its paralegal to file the January 14 letter with the Board. If this counsel had been given the wire instructions before it filed the January 14 letter, I would have certainly informed the Board of that fact, which I promptly did in the January 18 letter.

It is true that KJRY did not provide TP&W with the name of its operating personnel until after it had received TP&W's wire instructions, but TP&W only requested availability of such personnel on the afternoon of January 13, which curiously was at the same time TP&W was filing a letter requesting a delay in the closing date. KJRY responded to that request by agreeing to provide such information if TP&W would provide the wire transfer information, which as noted TP&W finally did on the afternoon of the 14th after KJRY had filed its letter with the Board. It is regrettable that KJRY had to ask four times for the wire instructions before its operating personnel could proceed to discuss transition issues. Indeed, KJRY's operating officer is listed in the Pocket List Of Railroad Officials and if TP&W had truly been serious about transition issues, it could have called anytime, but waited until Monday, January 17 to do so.

As KJRY has informed the Board throughout this proceeding, TP&W will do anything to stop the closing, including delaying, misleading, attacking, and playing word and e-mail games over a simple item such as complying with the Board's order to provide KJRY with TP&W's account information. This is truly unfortunate and provides further proof that the Board needs to ensure that the closing takes places on-time and under Board supervision if necessary. In that light, KJRY attaches additional letters from shippers on the line who support closing the transaction promptly.

If there are any questions about this matter, please contact me directly, either by telephone: (202) 663-7823 or by e-mail: wmullins@bakerandmiller.com. There are an original and eleven copies of this letter. Please time stamp the extra copy and return to the courier for delivery to me. Furthermore, by my signature below, I certify that I have on this date caused

¹ Of course now that it has received the requested account information, the use of an escrow arrangement is no longer necessary. As such, KJRY now intends to deposit the purchase proceeds directly into TP&W's account as set forth in the Board's October 28 decision.

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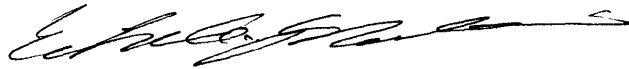
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copies of this submission to be delivered to Louis E. Gitomer and Gordon P. MacDougall by courier, and to be served on other parties of record by first class mail.

Respectfully submitted,



William A. Mullins

Attorney for Keokuk Junction Railway Co.

Enclosure

cc: All Parties of Record

BLANDINSVILLE ELEVATOR
BLANDINSVILLE, ILLINOIS 61420

January 18, 2005

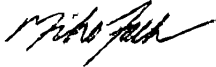
Surface Transportation Board
Washington, D.C.

Dear Members of the Board:

Blandinsville Elevator is a shipper on the Line between LaHarpe and Hollis, Illinois. Blandinsville Elevator strongly supports a timely decision to re-open rail service into Blandinsville.

We have been without any service for well over two years now. We welcomed the Board's October 28, 2004 decision to resume service to this line and are anticipating the resumption of service as soon as possible.

Thank you,



Mike Falk,
Manager

LaHARPE ELEVATOR
P.O. BOX 449
LaHARPE, ILLINOIS 61450

January 18, 2005

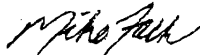
Surface Transportation Board
Washington, D.C.

Dear Members of the Board:

LaHarpe Elevator is a shipper on the Keokuk Junction Railway ("KJRY") at LaHarpe, Illinois. We would like the option of shipping commodities over the line from LaHarpe to Hollis (Peoria), and beyond, therefore, strongly support a prompt decision in favor of restoring this portion of our service.

Until a few years ago, we had TP&W service to Peoria, and the east. Since TP&W tried to sell the Line to a scrapper, we have only had KJRY service to the west. We welcomed the Board's October 28, 2004 decision to resume service to this line, and are anxiously anticipating the resumption of this service as soon as possible.

Thank you,



Mike Falk,
Manager